



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0472	Title:	Clarify state and local highway maintenance obligations
Primary Sponsor:	Barrett, Dick	Status:	As Introduced-Revised

- | | | |
|---|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$385,693	\$385,693	\$395,335	\$405,219
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill will result in additional expenditures in the Montana Department of Transportation (MDT) due to the assumption of responsibility for sidewalks and roadways in incorporated cities.

FISCAL ANALYSIS

Assumptions:

Department of Transportation

- There are 129 incorporated cities. It is assumed that there are sidewalks on both sides of the road within these incorporated cities.
- Expenditures include a 2.5% inflation increase per year beginning in FY 2012.
- Current sidewalks to be maintained are assumed to be in good condition and not in current need of repair. This is not likely; however, it is not possible to estimate the length and cost of sidewalks needing repair.

Cost for sidewalks next to roads currently maintained by MDT

- The estimated increased cost of \$229,400 includes the addition of maintenance for 740 miles of sidewalks at an average maintenance cost of \$310 per mile per year. Labor is 73% of this amount and equates to 3.56 FTE at an estimated cost of \$167,462. The remaining amount, \$61,938, is for materials and equipment.

5. The average cost of \$310 per mile per year is based on a 4-year average for path, trail, and sidewalk maintenance.

Cost for sidewalks next to roads not currently maintained by MDT

6. An estimated 442.256 miles of sidewalks would need to be maintained within those incorporated city boundaries (miles received from road inventory and mapping section). The average cost is \$353.40 per mile for a total cost of \$156,293.
7. The average cost of \$353.40 is based on a 4-year average for path, trail, and sidewalk maintenance and includes an administrative (indirect cost) fee of 14%.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
FTE	3.56	3.56	3.56	3.56
<u>Expenditures:</u>				
Personal Services	\$167,462	\$167,462	\$171,649	\$175,940
Operating Expenses	\$218,231	\$218,231	\$223,687	\$229,279
TOTAL Expenditures	\$385,693	\$385,693	\$395,335	\$405,219
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$385,693	\$385,693	\$395,335	\$405,219
TOTAL Funding of Exp.	\$385,693	\$385,693	\$395,335	\$405,219
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$385,693)	(\$385,693)	(\$395,335)	(\$405,219)

Long-Term Impacts:

1. Additional fiscal impact to correct substandard sidewalks and for possible liability for any claims or litigation derived from accidents occurring on sidewalks could be significant and amounts are unknown.

Technical Notes:

1. If the State of Montana assumes responsibility for sidewalks, etc., MDT is unable to determine if existing city ordinances would be enforceable where home owners are required to clear snow from sidewalks.
2. The term “sidewalks” is not defined so it is difficult to determine if sidewalk includes certain paths alongside roads, including bike paths, cart paths, walking paths, and trails.

Sponsor's Initials

Date

Budget Director's Initials

Date